

SOLIDERE SHARES AND GDRs

Exchange Listings & Ticker Symbols

Beirut Stock Exchange:	A shares
Beirut Stock Exchange:	B shares
London Stock Exchange:	GDRs (SOLAq.L)

Beirut Exchange Trading System

The Beirut Stock Exchange (BSE) uses an Outcry system which allows traders to match buy or sell orders posted on the floor, thus improving visibility of the trading.

Analysis of Share Prices

Solidere shares turned slightly higher during the year 2002, with the easing of the local economic slowdown which had started in 1999. The success of the Paris II conference provided some positive signals to the business community and consumers alike.

This positive outlook increased interest of most traders in the Beirut Stock Exchange in general, as most listed companies were trading at a substantial discount to their intrinsic values.

Solidere stood to benefit from traders' interest due to the notable increase witnessed in its land sales during the year. This was reflected in higher share prices and a threefold increase in its trading activity compared to the previous year.

Share A closed the year at US\$47/8 and share B at US\$43/4, respectively 5.5% and 2.7% above their 2001 closing prices.

During the year, share A traded between a high of US\$51/4 and a low of US\$37/8, while share B traded between a high of US\$51/2 and a low of US\$4.

The GDRs also traded upbeat in the London Stock Exchange, progressing by about 15% during the year to close at US\$4.93.

Trading activity turned higher in 2002 with a total of 20,678,852 shares changing hands, for a cumulative value of about US\$95.6 million. This represents around 12.5% of the Company's capital changing hands. The average daily volume amounted to 84,403 shares worth around US\$390,204. The average price for the year was consequently about US\$4.62, a 12.8% decrease compared to the previous year.

Research and Investor Relations

During 2002, certain financial institutions revived their coverage of Solidere.

Merrill Lynch issued on December 2002 a "Company update and opinion change" indicating a turnaround in challenging times for the Company, but referred to a downgrade from buy to neutral due to regional risks.

The local Arab Finance Corporation (AFC) gave in August 2002 a buy recommendation with a valuation/target price of US\$6.85 per share.

Investor relations efforts by the Company continued to be focused on maintaining contact with shareholders and to explain the progress achieved during 2002 in sales and development work, and the Company's strong financial fundamentals.

The Company continued to receive at its premises an increasing number of visitors and personalities with diverse profiles, with a bigger percentage of prospective interested investors, particularly from Gulf countries.

Treasury Share Transactions

During 2002 Solidere sold 1,004,000 treasury shares at US\$6.5 per share, with a three-year put option at a strike price of US\$7.51 per share. The transaction was arranged by BEMO, to realize the first securitization deal in the Middle East.

Solidere Shares: Volume and Price Movements 2002

